EQUAL OPPORTUNITY EMPLOYMENT

BSH Home Appliances Corporation is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. Company policy prohibits unlawful discrimination based on race, color, creed, sex, religion, marital status, age, national origin or ancestry, physical or mental disability, medical condition, sexual orientation, or any other consideration made unlawful by federal, state or local laws. All such discrimination is unlawful.

BSH is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of BSH and prohibits unlawful discrimination by any associate of BSH, including supervisors and co-workers. The Company's anti-harassment policy applies to all persons involved in the operation of the company and prohibits unlawful harassment by any associate of the Company, including supervisors and co-workers.

OPEN DOOR POLICY

BSH and all of its business units have an **"open door"** policy and actively promote communications as a means of solving problems. The Policy against harassment in the workplace and the statement on equal employment opportunity reflect our commitment to open communications. Should any associate have a problem, concern, or suggestion for improving any phase of the business operations, the matter can be discussed with your immediate supervisor. If you are not satisfied with the supervisor's response, or are unable to discuss the matter with your supervisor, the matter should then be discussed with a higher level of management in your area or the Human Resources Department.

This procedure, which we believe is important for both you and the Company, cannot result in every problem being resolved to your satisfaction. However, the Company values your input and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

DISPUTE RESOLUTION

Differences occasionally arise between the Company and a current or former associate. In most instances, these differences have been resolved through the Company's Open Door Policy or through informal discussions.

In those rare instances where informal discussions and the Company's internal procedures do not produce a satisfactory result, litigation has been the only recourse to resolve the matter. Unfortunately, the litigation process is costly to all parties and is most time consuming. The Company believes there is a better and more efficient method to resolve those disputes that cannot be resolved informally. That method is a two-step dispute resolution mechanism of mediation and arbitration, which is independent, fair, and equitable to all parties.

EXHIBIT
B

DISPUTE RESOLUTION (continued)

The Dispute Resolution Policy provides associates with a clearly defined procedure for resolving job-related problems that cannot be settled by using an open door policy. The Dispute Resolution Policy avoids the undesirable litigation characteristics of high cost and delay for both the associate and the Company, yet retains the elements of impartiality and fairness that are essential for any equitable alternative dispute resolution procedure.

The Dispute Resolution Policy covers all non-union full-time and part-time exempt and non-exempt associates and managers, without exception.

This Policy does not in any way alter the "at will" status of the associate's employment. Nothing in this Policy limits the associate's right to resign from the Company, or the Company's right to terminate the associate's employment for any reason at any time. See **Addendum I** for the complete policy.

EMPLOYMENT AT WILL

Employment at BSH Home Appliances is employment at-will, meaning that you or the Company may terminate the employment relationship at any time and for any reason. Terms and conditions of employment are within the sole discretion of the company and include, but are not limited to: promotion; demotion; transfers; compensation; benefits; work assignments; job duties and responsibilities; or any other terms and conditions that the company may determine to be necessary for the safe, efficient and economic operation of its business. Nothing in this Handbook or in any document or statement shall limit the right to terminate employment at-will. No manager, supervisor or associate of BSH, except for the President of BSH and then only if in writing, has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will.

BSH reserves the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this handbook or in any other document.

Any written changes to this handbook will be distributed to all associates so they will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this handbook.

ADDENDUM I

Dispute Resolution

DISPUTE RESOLUTION

Differences occasionally arise between BSH Home Appliances Corporation (herein referred to as "The Company") and a current or former employee. In most instances, these differences have been resolved through the Company's Open Door Policy or through informal discussions. However, in those rare instances where informal discussions and the Company's internal procedures do not produce a satisfactory result, litigation has been the only recourse to resolve the matter. Unfortunately, the litigation process is costly to all parties and is most time consuming. The Company believes there is a better and more efficient method to resolve those disputes that cannot be resolved informally. That method is a two-step dispute resolution mechanism of mediation and arbitration that are independent, fair, and equitable to all parties.

Under this Policy, which is a condition of continued employment and binding upon the Company and the employee, all claims and disputes a current or former employee within the United States might have arising out of the employee's employment or termination, which are not resolved through the Company's Open Door Policy and other normal human resource channels, shall be resolved through mediation and, if necessary, binding arbitration. The mediation and arbitration will be conducted by a neutral third party, the American Arbitration Association.

Claims

Covered by this Policy

The disputes covered by this Policy include any claim under applicable state or federal law a current or former employee within the United States might have against the Company including, for example, all claims for: wages or other compensation due; reach of any contract; negligence; international torts; and alleged exception to the workers' compensation laws; defamation; all forms of unlawful discrimination including, but not limit to, race, color, sex, religion, national origin, disability, marital status or age; denial of fringe benefits; violation of any federal, state, or other governmental law, statute, regulation, or ordinance; and, any other matters arising under common or statutory law. Disputes covered by this policy shall also include any claim an employee might have against any officer, director, employee, or agent of the Company, or any of the Company's subsidiaries, divisions, and affiliates, if that claim in any way arises out of or relates to the employment relationship or the termination of the employment relationship. It is the intent to submit to mediation and arbitration to the fullest extent permitted by law all disputes an employee might have against the Company and any of its subsidiaries, divisions, affiliates, officers, directors, employees, and agents. Because this Policy promotes mediation and arbitration as the exclusive remedy for claims covered by this Policy, the Company and the employee agree to be bound by those laws best promoting the enforceability of mediation and arbitration agreements, including the Federal Arbitration Act, federal common law, and any applicable state laws promoting arbitration.

Not Covered by this Policy

The only employee claims not covered by this Policy are those the employee might have for workers' compensation benefits, unemployment compensation benefits, and claims under any of the Company's employee welfare benefit and pension plans. In the case of a denial of benefits under any of the Company's employee welfare benefit or pension plans, the filing and appeal procedure contained in that plan must be utilized.

Mediation and Arbitration Rules

The American Arbitration Association (AAA) is a public service, nonprofit organization that offers a wide range of independent, unbiased dispute resolution services to private individuals, businesses, associations and all levels of government. Because of the experience of the AAA in mediating and arbitrating disputes, the Company and its employees will be subject to the AAA Employment Dispute Resolution Rules (as amended and effective on June 1, 1997) and this Policy. Copies of the AAA rules may be obtained from the Company's Human Resources Department.

Mediation
If a dispute arises between the Company and an employee which cannot be resolved through the Company's Open Door Policy or other internal human resource channels, the Company and the employee must first attempt to resolve the dispute through mediation by the AAA.

Arbitration
If the dispute is not resolved through mediation, the dispute shall be resolved by exclusive, final and binding arbitration by the AAA before a single, neutral Arbitrator knowledgeable in employment law who shall follow applicable state and federal law and whose decision shall be final and binding upon both the Company and the employee. Judgment upon an award rendered by the Arbitrator may be entered in any court having jurisdiction.

Fees and Expenses
For any employer or employee claim, BSH Home Appliances Corporation shall pay all fees and expenses of the Mediator and Arbitrator. Unless the parties agree otherwise or unless a party prevails on a claim for which reasonable attorney's fees and/or costs may be awarded to the prevailing party under applicable law and the Arbitrator awards fees and/or costs, each party will pay their own attorneys' fees and expenses associated with the mediation and/or arbitration.

Right to Representation
The employee has the right to be represented by an attorney during any phase of the mediation and arbitration proceedings. The expenses of such representation shall be the sole responsibility of the employee.

Time Limits
To insure the timely resolution of disputes, employees must initiate arbitration within one year of the time the claim accrued or, in the case of a claimed statutory violation, the time limits imposed by the applicable statute of limitations, whichever is longer. The failure to initiate arbitration within this time limit will forever bar any claim involving that dispute.

Administrative Conference
To permit the consideration of any issues and procedures that will expedite the arbitration in a fair and equitable manner, at the request of either the employee or the Company, an Administrative Conference with the AAA will be held. Unless agreed to in writing by the parties at the Administrative Conference, all outstanding disputes an employee might have will be decided by the Arbitrator in the same proceeding.

Arbitrator

The Arbitrator will be independent and impartial and no person shall serve as an Arbitrator who has any financial or personal interest in the result of the proceeding. The Arbitrator shall promptly disclose in writing to the employee, the Company, and the AAA any circumstances that would prevent the Arbitrator from acting independently and impartially. The employee or the Company may request the disqualification of an Arbitrator for the same reasons as a federal district court judge is subject to disqualification under federal law. When an Arbitrator has been challenged by either party, the other party may agree to the challenge or the Arbitrator may voluntarily withdraw. If neither agreed disqualification nor voluntary withdrawal occurs, the challenge shall be promptly decided by the AAA and its decision shall be final and binding.

In selecting an Arbitrator, the AAA shall be required to send the employee and the Company an initial list of ten potential Arbitrators. If for any reason an appointment cannot be made from this list, the AAA shall promptly send the employee and the Company a second list of ten potential Arbitrators. If for any reason an appointment cannot be made from the second list, the AAA shall have the power to make an appointment from among other members of the panel without submitting an additional list.

If for any reason an Arbitrator is unable to perform the duties of the office, the AAA may declare the office vacant and the vacancy will be filled according to the procedures for the initial appointment of an Arbitrator.

Discovery

The employee and the Company are encouraged to agree to that discovery which shall take place prior to the arbitration hearing. Discovery shall be conducted in the most expeditious and cost-effective manner possible, and shall be limited to that which is clearly relevant and material to the dispute and for which the party has a substantial, demonstrable need. Upon request, either party shall be entitled to receive at least thirty days prior to the arbitration hearing, information and copies of documents that meet the criteria for discovery. Upon request, the Employee and the Company shall be entitled to take one deposition each at least thirty days in advance of the arbitration; the employee and the Company will designate that individual whom they wish to depose but the individual must have direct knowledge of the issues in dispute.

Any disputes regarding discovery shall be decided by the Arbitrator and the Arbitrator may grant, upon good cause shown, either party's request for discovery in addition to or limiting that expressly provided in the Policy.

Record

To insure that either the employee or the Company has an opportunity to review a record of the arbitration, the Arbitrator will maintain, in cooperation with the parties, a record of the arbitration proceedings for a period of one year after the Arbitrator's award is issued. The record is to include at a minimum all documents and exhibits produced in connection with the hearing, all briefs submitted by the parties, the award of the Arbitrator, a record of the arbitration hearing, and the written decision of the Arbitrator. A record of the arbitration hearing shall be made by audio, video taping, or by verbatim transcription, at the election and the expense of the Company. All aspects of the arbitration, including the record, are confidential and not open to the public except to the extent both parties might otherwise agree in writing, the record is

Record (Cont.) - necessary for any subsequent proceeding between the parties, or, the record is necessary to respond to an order of a governmental agency or legal process.

In conducting the arbitration hearing, technical compliance with the rules of evidence shall not be necessary. However, applicable law with respect to privilege, including attorney-client privilege, work product, and compromise and offers to compromise must be followed.

Damages and Relief
Upon a finding that the employee has sustained the burden of persuasion, the Arbitrator shall have the same power and authority (and no more) as would a judge in court to grant monetary damages or such other relief as may be in conformance with applicable principles of common, decisional, and statutory law in the relevant jurisdiction. The employee has a duty to mitigate any damages that might have been sustained.

Employment Status
This Policy does not in any way alter the "at-will" status of the employee's employment. Nothing in this Policy will limit the employee's right to resign from the Company, or the Company's right to terminate the employee's employment for any reason at any time.

Non-Retaliation
The Company is committed to resolving legitimate employee disputes quickly and reasonably. The Company forbids any retaliation against any employee who in good faith pursues an employee dispute under the Dispute Resolution Policy.

Change, Modification or Discontinuation
The terms of this Policy in effect at the time the facts giving rise to the dispute took place, are the terms which will be binding on the Company and the employee. Otherwise, the Company reserves the right to change, modify or discontinue this Policy at any time upon prior written notice to the Company's current employees.

AGREEMENT

I agree that in exchange for consideration of employment with the Company, I will be bound, as though an employee, by the Dispute Resolution Policy. Further, in the event of employment, I will also be bound by the Dispute Resolution Policy. As a result, Mediation, and, if unsuccessful Arbitration will be the sole and exclusive remedies for any claims covered by the Dispute Resolution Policy and I agree not to pursue any such claims in Court through a judge or a jury. I acknowledge that I have had the opportunity to review the Dispute Resolution Policy prior to signing this document.